

# Fiscal TOPICS

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## Grain Indemnity Fund

### Purpose and History

The Grain Depositors and Sellers Indemnity Fund (known as the Grain Indemnity Fund) was established to provide assistance for persons who incur financial losses resulting from the selling or storing of grain in a warehouse licensed with the Department of Agriculture and Land Stewardship (DALSS). The Grain Indemnity Fund Board oversees the Fund and determines if claims are valid, adjusts the per-bushel fee paid, and approves the administration costs related to the Grain Indemnity Fund.

The Iowa Code requires all grain dealers and warehouse operators to participate in the Grain Indemnity Fund by paying fees that are deposited into the Fund. Fees include:

- A per-bushel fee on all purchased grain, in an amount of 0.025 cents per bushel, paid by grain dealers. However, with proper documentation, some transactions can be excluded from the per-bushel fee. This includes grain purchased from the federal government or a licensed grain dealer, or purchased under a credit-sale contract.
- An annual participation fee paid by licensees:
  - Grain dealers pay a participation fee of 0.014 cents per bushel on all purchased grain during the grain dealer's most recently ended fiscal year. A grain dealer is required to pay a minimum participation fee of \$50.
  - Warehouse operators pay a participation fee of 0.014 cents per bushel of bulk grain storage capacity, or \$500, whichever is less. A warehouse operator is required to pay a minimum participation fee of \$50.

Claims against the Grain Indemnity Fund are made for losses incurred by a depositor or seller from a covered transaction. A covered transaction includes:

- A seller that transferred title to the grain dealer using a method other than a credit-sale contract. The claim must be within six months of the incurrence date.
- A depositor that delivered grain to a warehouse operator.
- In a loss situation, the Fund will pay 90.0% of the claimant's loss with a maximum payment of \$300,000.

### Funding History

There is no appropriation made from this Fund. The average annual amount paid in claims over the past 10 years was \$161,000.

### Related Statutes

Iowa Code chapter [203D](#)

Iowa Administrative Code Chapters [91](#), [92](#), [93](#), [94](#), and [95](#)

### More Information

Department of Agriculture & Land Stewardship Grain Indemnity Fund:  
<http://www.iowaagriculture.gov/grainWarehouse/GrainIndemnityFund.asp>

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